



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

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STATE TREASURER PHIL ANGELIDES, SAN JOSE MAYOR RON GONZALES ANNOUNCE \$75 MILLION AFFORDABLE HOUSING AWARD TO SAN JOSE

Tax-exempt bonds to fund nearly 2,000 new housing units for working families

SAN JOSE, CA – California State Treasurer Phil Angelides, joined today by San Jose Mayor Ron Gonzales, San Jose Redevelopment Agency officials, and affordable housing advocates, announced the award of \$75 million in tax exempt, low-cost bond funds to help finance the construction of nearly 2,000 housing units in San Jose. The award is part of the Treasurer's continuing efforts to make smart investments to revitalize urban neighborhoods and broaden economic opportunity for California families.

Treasurer Angelides serves as the chair of the California Debt Limit Allocation Committee, which granted the award to the San Jose Redevelopment Agency. At Angelides' urging, the Committee created a special pool of bond funds to help local communities finance affordable housing. San Jose will use the money raised from the bond funds as low cost loans to help build 13 new developments that will provide nearly 2,000 affordable housing units – housing that will be made available to families who earn 30 to 60 percent of the area's median income. In the case of San Jose, this would mean families of 4 with incomes between \$31,650 to \$63,300 a year.

"This investment in affordable housing will help ease the crunch felt by San Jose families struggling to make ends meet. The award comes at a crucial time – California's affordable housing crisis has dire consequences for families and it threatens the State's long-term economic strength," Angelides said. "Nearly 2,000 families will soon have access to new affordable housing – strengthening San Jose's neighborhoods and revitalizing hard-hit communities."

The announcement was made at the Oak Tree Village at Branham Lane and Monterey Highway, an apartment complex, currently under construction, funded with more than \$25 million in tax-exempt bonds, including \$1.75 million in proceeds from this award. When completed, the 175 unit complex, situated near public transportation, a park and a school, will have one -, two - and three - bedroom apartments with three landscaped courtyards, a community room and pool.

"The support of Treasurer Angelides and the State greatly strengthens our ability to create more homes that thousands of San Jose families can afford," said San Jose Mayor Ron Gonzales.

"Affordable housing helps us build strong neighborhoods that all our residents will be proud to

call home and it helps Silicon Valley employers recruit and keep the talented people who are the backbone of our economy,” the Mayor said.

Treasurer Angelides has undertaken a number of initiatives to promote infill development and community revitalization in urban neighborhoods throughout California. Angelides’ “Double Bottom Line” investment strategy has directed more than \$14 billion in investment capital, principally through the State’s public pension and investment funds into investments that yield strong returns and broadened opportunity in California’s economically struggling communities. These programs also encourage sustainable development - strengthening existing neighborhoods and reversing the cycle of urban sprawl that is degrading the State’s environment and quality of life. Since taking office in 1999, the Treasurer has funded the creation of more than 100,000 affordable rental units.

The Treasurer’s Double Bottom Line initiative has been undertaken in partnership with cities across the state. The bonds awarded today will help fulfill Mayor Gonzales’ goal to strengthen San Jose neighborhoods. Recognizing the need for an aggressive plan to increase San Jose’s affordable housing stock, the Mayor delivered on his promise to create 6,000 affordable units in the past five years for the residents in San Jose. But he isn’t stopping there – Mayor Gonzales has set a second goal of creating an additional 6,000 units to be completed by the year 2009.

“By encouraging neighborhood redevelopment and investment into affordable housing for families, we can breathe new life into struggling neighborhoods, and encourage the kind of growth that will sustain California’s economy and environment for years to come,” concluded the Treasurer.

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